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LISTING OF CLAIMS

1. (currently amended) A computer-implemented method for utilizing a computer for managing operational risk and return of a production infrastructure with respect to a current portfolio of service-level agreements (SLAs) offered by a service provider, the method comprising:

a. calculating by said computer an efficient frontier that identifies efficient portfolios of SLAs each having a first value of a desired level of risk and return for the service provider using inputs comprising at least one of characteristics of the production infrastructure, traffic characteristics, QoS characteristics, and the price of each class of SLAs;

b. determining a second value of an actual level of risk and return for the service provider under the current portfolio by evaluating performance of the current portfolio of SLAs using a portfolio evaluator means;

c. ~~evaluating performance by~~ said computer comparing the second value of the actual level of risk and return for the service provider under the current portfolio and the ~~efficient portfolios with the~~ first value of the desired level of risk and return; and

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d. identifying at least one implementing corrective action to dynamically adjust at least one of the characteristics of the production infrastructure, traffic characteristics, QoS characteristics, and price to change the actual risk and return for the service provider to based on the desired risk and return, when said comparing indicates that the second value of actual risk and return differs from the first value of desired risk and return.

2. (original) The method of claim 1, wherein the corrective action is selected from a group of actions consisting of:

- a. adjusting marketing strategy;
- b. changing the degree of multiplexing in the network;
- c. changing network capacity;
- d. changing the cost of network capacity;
- e. defining relative compliance guarantees where networks support definition of adequate policies on the basis of priority;
- f. changing prices and comparing with baseline prices of SLAs; and
- g. trading contracts of different classes of SLAs.

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3. (previously presented) The method of claim 1 or 2 wherein, after corrective action is taken, the method further comprises the steps of:

taking new inputs, and,

with the exception of the corrective action of trading SLAs, re-executing the method by calculating a new efficient frontier having a new desired risk and return for comparison with the actual risk and return of the current portfolio, calculated by the portfolio evaluator means.

4. (previously presented) The method of claim 2 wherein, for implementing corrective action comprising trading, the method further comprises:

determining a number of to-be-traded SLAs of a certain class by subtracting the number of SLAs of the certain class in the current portfolio from the number of SLAs in a desired portfolio, and

taking action that tends to narrow the difference; thus moving the contents of the current portfolio to that of an optimal portfolio.

5-28 (canceled)

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